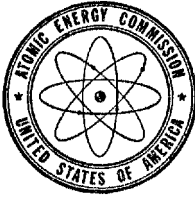


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completed.

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Reviewed



UNITED STATES  
ATOMIC ENERGY COMMISSION  
WASHINGTON 25, D. C.

December 30, 1958

Dear Mr. Morse:

The purpose of this letter is to inform you of the arrangements which the AEC proposes as a basis for an interagency agreement for the operation of the N.S. SAVANNAH during the period of experimental operation.

It is proposed that the AEC and the Maritime Administration enter into an agreement whereby the Maritime Administration would operate the SAVANNAH reactor through a general agent. Under this arrangement, the AEC would not be a party to the general agency agreement, nor would it take part in the selection of the general agent or in negotiation or administration of the general agency agreement except for participation in the Joint Group. Contract negotiation and administration by the Joint Group would be carried out in accordance with Maritime Administration practices and procedures.

Under such an arrangement the N.S. SAVANNAH reactor would not be subject to AEC licensing requirements during the period of experimental operation covered by the interagency agreement. Necessary indemnity arrangements could also be made.

An interagency agreement setting forth the necessary administrative and fiscal procedures should be completed as soon as possible. I propose that the earlier discussions between the AEC and the Maritime Administration relative to SAVANNAH operations be reoriented in line with the arrangements discussed above.

Sincerely yours,

Chairman

Honorable Clarence G. Morse  
Maritime Administrator  
U. S. Department of Commerce

DOE review completed.

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